

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date

1/6/2022

2. Department

State Water Resources Control Board

3. Organizational Placement (Division/Branch/Office Name)

Division of Financial Assistance/Administration/Operator Certification (OP) Branch

4. CEA Position Title

Assistant Deputy Director

5. Summary of proposed position description and how it relates to the program's mission or purpose.
(2-3 sentences)

The proposed CEA is responsible for key policy and process decisions and overall management related to hundreds of water quality improvement and drinking water projects, over \$1.5 billion of annual, and over \$15 billion cumulative loans and grants that are critical to achieving the State Water Board's mission to preserve, enhance, and restore the quality of California's water resources and drinking water. The proposed CEA is also responsible for policy decisions and Program management related to the State Water Board's Operator Certification Program, which helps ensure that the over 40,000 drinking water and wastewater operators are properly certified and facilities in communities statewide are operated in a way that protects public health and the environment.

6. Reports to: (Class Title/Level)

Deputy Director/CEA B

7. Relationship with Department Director (*Select one*)

- ☐ Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- ☒ Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(*Explain*): This position will report directly to the Deputy Director of the Division of Financial Assistance

8. Organizational Level (*Select one*)

- ☐ 1st ☐ 2nd ☒ 3rd ☐ 4th ☐ 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

Serve as second in command of the Division of Financial Assistance (DFA) and has authority for making high-level policy decisions with a broad impact in the following areas:

1) Operator Certification Program: the Drinking Water Operator Certification Program is responsible for testing and certification of approximately 35,000 water treatment and water distribution operators throughout the state of California. The Wastewater Operator Certification Program is responsible for testing and certification of approximately 6,000 wastewater treatment plant operators and for the classification of wastewater treatment plants. Proper testing and certification helps ensure the safe operation of all drinking water and wastewater systems in California. The CEA has lead responsibility for working with water and wastewater associations to establish the necessary fees, policies, regulations, testing questions, exam qualifications, and procedures to ensure the integrity of the testing and certification process; streamline application, renewal, and testing; and collaborating with executive level colleagues in the Division of Drinking Water (DDW); Division of Water Quality (DWQ); Division of Administrative Services (DAS); Office of Chief Counsel (OCC); Office of Enforcement (OE) and Division of Information Technology (DIT). The CEA is also responsible for working with water industry leaders on developing new certification programs, such as for indirect and direct potable reuse (i.e., advanced water treatment and distribution certification), and developing the necessary State Water Board regulations or statutory changes necessary to implement those new certifications. The CEA also serves as the State Board's lead for any engagement with the Governor's Office, Legislature, other state agencies, the United States Environmental Protection Agency (USEPA), trade associations, labor unions, the Programs' Advisory Committees and press regarding the Operator Certification Program.

2) Administration of Funding Programs: the CEA is responsible for the administration of all of the State Water Board's funding programs, except those programs funded by the Underground Storage Tank Cleanup Fund. The funding programs include the Drinking Water and Clean Water State Revolving Funds (SRFs); the Safe and Affordable Drinking Water Fund (SADWF); all general obligation bonds passed by the voters; programs/projects established through general fund appropriations; the Cleanup and Abatement Account and other federal and State funding programs. The CEA has responsibility for developing Board policies and procedures to ensure: i) applications for funding are efficiently tracked and processed; ii) appropriate reviews and analyses are conducted consistent with federal and State requirements; iii) reimbursement requests are processed efficiently and that only eligible costs are reimbursed; iv) complete and accurate reports are provided to control agencies (e.g., bond coordinators, Department of Finance (DOF); the USEPA); v) changes are made in response to audit findings; vi) appropriate fraud prevention measures are in place; and vii) performance metrics are established and met. These policies include, but are not limited to, the Board's Debt Management Policy and Policies for Implementing the SRFs which govern the administration of billions of loan funds, and post-issuance revenue bond compliance. The CEA is co-lead for the financing team, which includes Board staff, State Treasurer's Office (STO), IBank, underwriters, financial advisors, rating agencies, outside bond counsel and others, for issuing revenue bonds to increase the capacity of the SRFs. The CEA is responsible for developing the supporting documentation and State Water Board and IBank (conduit issuer) resolutions authorizing issuance. The CEA is responsible for updating the Master Trust Indenture to support bond issuance and other leveraging opportunities. The CEA also has the lead or co-lead in developing regulatory guidelines for various funding programs (e.g., SRFs, SADWF). The CEA is the lead for annual and one-time funding program and project audits and performance reviews, and required reporting. In fulfilling these responsibilities, the CEA will often be the lead in engaging with Board executive management and members, the Governor's Office; CalEPA and Resources Agency Secretary and Deputies; the DOF; the State Controller's Office; STO, USEPA; and the California State Auditor. The CEA will also work with executive level colleagues in the DDW; DWQ; DAS; OE; OCC; DIT; the Regional Water Quality Control Boards; and other State Water Board divisions and offices.

In collaboration with OCC, the CEA develops strategies, policies and training to detect and prevent fraud in the Board's funding programs and the Operator Certification program, and works with OE and the Attorney General's Office for fraud investigations and enforcement actions.

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- ☒ Program is directly related to department's primary mission and is critical to achieving the department's goals.
- ☐ Program is indirectly related to department's primary mission.
- ☐ Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: DFA is the funding arm of the State Water Board, providing billions of dollars in grant and loan funding for critical water quality and drinking water projects, which is essential to advancing the Board's mission to preserve, enhance, and restore the quality of California's water resources and ensure safe drinking water for all Californians. Funding helps entities the Board regulates comply with water quality and drinking water standards and regulations.

Staff within the branch are directly responsible for the following specific program areas, which are critical to achieving the goals of DFA and the Board: financial review to ensure the creditworthiness of loan recipients to ensure the long term sustainability of the Board's loan funds, developing and negotiating funding agreements to ensure that projects are implemented consistent with state and federal laws and Board policy, reviewing reimbursement requests to ensure eligibility prior to payment, fiscal tracking for all grant and loan programs administered by the Board including initiating encumbrance and disbursement of funds through FI\$Cal.

Additionally, this branch of DFA includes the Operator Certification Program which establishes minimum qualifications for 36,000 operators of drinking water and 6,000 operators of wastewater treatment facilities statewide, and criteria for the renewal or revocation of operator certificates. Adequately qualified operators are essential to ensuring proper operation and maintenance of facilities that treat wastewater and provide drinking water to communities statewide. If such facilities are not adequately operated and maintained it can lead to the provision of unsafe drinking water or discharges of inadequately treated wastewater to the environment, putting public health and water quality at risk.

Branch staff also support the other Branches of DFA with respect to personnel, training, facilities and business services.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

DFA is responsible for administering numerous funding programs, including multiple general obligation bond funded programs, the Clean Water and Drinking Water State Revolving Fund Programs, and the Safe and Affordable Drinking Water Fund (SADWF). SADWF, was established in July 2019, and provides \$130 million annually to address short and long-term drinking water needs primarily in disadvantaged communities. It is a particularly high profile program with significant interest from stakeholders, the media, the legislature, and the Administration. In addition, through recent legislation, significant new funding has recently been appropriated to address high-priority statewide issues such as drought preparedness, climate resiliency (\$1.3 billion), and household water debt relief associated with the pandemic (nearly \$1 billion). Key organizational improvements are vital to ensure that implementation of these new and dynamic programs are implemented efficiently and effectively, well coordinated, and program goals and performance measures are met. The new programs also include new administrative staff resources, which will increase the complexity of coordination and integration, if the status quo is maintained. The re-organization will help ensure that priorities of the Governor, the State Water Board, and legislative mandates and deadlines are met.

DFA is requesting a reorganization to better consolidate staff with similar workloads. Staff conducting work related to executing contracts for grants and loans, processing disbursements, and fiscal tracking are currently located in both the Grants, Operator Certification, and Administration (Grants/Op Cert/Admin) Branch and the Loans and Grants (L&G) Branch. In the current setup, staff are grouped by funding program, rather than function. This has created difficulties in coordinating the policy and processes implemented in the two branches. This has also resulted in confusion and inefficiency for recipients that have projects administered by the different branches. Having staff with similar functions spread across multiple branches also creates inefficiencies in regular coordination with accounting staff in the Division of Administrative Services. This coordination is especially key as a result of new funding authorizations, and new processes and workload associated with the implementation of financial tracking through FI\$Cal. In addition, this consolidation will put a single executive level person (the new CEA) in charge of developing State Board policies and procedures required to efficiently implement the funding programs.

Proposed organizational changes involve moving staff in the L&G Section (from the L&G Branch) to the Grants/Op Cert/Admin Branch, to consolidate all administrative staff from both branches. To balance workload, one section of engineers and geologists currently located in the Grants/Op Cert/Admin Branch (the Bonds Section) would move to the L&G Branch, which is overseen by a Principal Water Resource Control Engineer (WRCE).

Reclassification of the existing Principal WRCE that currently oversees the Grants/Admin/Op Cert Branch to a CEA A position is necessary to align that Assistant Deputy Director position with the makeup of staff. Given the new makeup of the branch, oversight by a Principal WRCE is no longer appropriate. The administrative duties of the former Principal WRCE position will be handled primarily by the new CEA A, while technical duties associated with the Bond Section will be assumed by the existing Principal WRCE over the L&G Branch. This will help ensure that workload is efficiently organized and balanced across the branches in DFA.

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The new CEA A position will serve as the second in command of DFA, including acting for the Deputy Director in their absence. The CEA will also represent DFA at policy, program, legislative, and public meetings, including in coordination with other state, federal, and local agencies, to collaboratively resolve complex public health and water quality issues using financial resources available to the Water Boards. The CEA will make recommendations to the State Board, executive management and the Deputy Director on program implementation, and statutory and policy changes.

The CEA would be responsible for developing amendments to the regulations for the Drinking Water and Wastewater Operator Certification Programs, and establishing new certifications for Advanced Water Treatment Operators when the Water Board adopts legislatively-mandated regulations for indirect and direct potable reuse of wastewater. Each certification program has an advisory committee that is consulted regarding proposed program policy changes. Amendments to the regulations also involve a substantial public process to solicit and incorporate input prior to adoption. The regulations for these two programs have a significant impact on protecting public health and the environment by ensuring that operators of drinking water and wastewater facilities have adequate training and knowledge to be able to safely operate such facilities. This helps ensure the delivery of safe drinking water and the avoidance of discharges of waste to the environment.

The CEA would also be responsible for regularly updating the administrative sections of the Policies for Implementing the Clean Water and Drinking Water State Revolving Funds, and the Board's associated Debt Management Policy. The CEA will oversee the development of the Intended Use Plans (IUPs) for the two SRF Programs. For each program, the IUP is adopted annually to outline the business plan for program implementation. The IUP identifies the amount of funding available from various sources, how projects will be prioritized, and provides eligibility requirements for grant and loan funds administered through these programs. The IUP is a policy requirement of the United States Environmental Protection Agency, which oversees State Revolving Fund implementation. Historically, the State Revolving Fund IUPs have also acted as the funding guidelines for complementary bond funds available for drinking water and wastewater infrastructure projects. Each year, development of the IUPs require coordination with numerous stakeholders, typically through workshops and a public comment period, and ultimately the IUPs are adopted by the Board at a public meeting. The IUPs are vital to implementation of the Board's State Revolving Fund programs which in recent years have provided an average of \$1 billion in funding annually. Funded projects are located statewide and support the Board's mission, and its commitment to racial equity and the Human Right to Water.

DFA is always under pressure to administer funding quickly to meet public health and water quality demands, and to meet the deadlines and requirements stipulated in new funding appropriations. To streamline and improve processes in DFA, and to create greater flexibility in staffing to be able to meet the expectations of the administration and the legislature, DFA management has been working to unify and streamline the approaches of administrative staff working on similar tasks in different programs. This is more challenging to do with such staff currently working in two different branches. To encourage better coordination and consistency across administrative staff, the proposed CEA A position would take the lead on developing and implementing policy and process revisions to streamline funding-related processes including financial reviews, agreement execution, processing disbursements, etc.

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

The CEA will typically have final decision-making authority on most issues requiring interpretation of the regulations for the Operator Certification Programs. This includes disputes regarding program eligibility and enforcement for violation of the regulations. The CEA will also decide which proposed rules are advanced to the Deputy Director, Executive Director and State Board for consideration. These decisions are made in consultation with technical and/or legal staff as needed.

The CEA will have primary decision making authority regarding policy and procedures associated with administration of funding agreements and programs, including processing of applications; tracking and reporting on funding and program performance measures; processing of reimbursement claims; oversight of audit processes and response to findings; developing and implementing process improvement recommendations; producing mandated annual SRF Reports and audits and other legislatively-mandated reports. Some examples where the CEA will be a key or final contributor to a collaborative decision-making process include: determining final recommendations and associated loan conditions regarding financial reviews completed for loan recipients, completing final programmatic approval of reimbursement requests, and implementation of processes regarding the tracking and encumbrance of funds and the execution of funding agreements.

The CEA will be the main point of contact and decision maker for issues that arise tracking tax-exempt bond proceeds and eligibility of project and programmatic expenditures. The CEA will interface with the Controller's Office, Bond Counsel, Department of Finance, the Resources Agency's bond coordinators and the Treasurer's Office to resolve complex tax and tracking issues with General Obligation Bond funds and issuances. With the transition to FISCAL, many issues are arising in tracking bond proceeds and expenditures that require high-level personnel at the various implementing and control agencies to resolve.

One key role of the CEA will be ensuring that policies and processes are well developed with staff properly trained to verify that necessary statutory and policy requirements are met prior to recommending approval. The CEA is responsible for ensuring that eligibility and funding recommendations are clearly and completely documented according to policy and guidance. Any errors can lead to over-expenditure of funds, audit findings or other negative consequences that will impact the Board's reputation as a strong funding agency. This could potentially lead to a halt on appropriations for new or existing funding programs within the Board's jurisdiction. Some errors could also impact the Board's ability to issue bonds to create cash for its loan programs. All of this would mean that important projects necessary to support the Board's mission could not be funded.

The CEA will have the lead in working with the Division of Information Technology to ensure information management systems are streamlined and providing necessary reporting and tracking functionality.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

The CEA will be responsible for interpreting and implementing existing regulations for the Operator Certification Program. The CEA will also be responsible for developing new policy through upcoming planned amendments to these regulations, and establishment of the Advanced Water Treatment Operator certification requirements.

The CEA will be responsible for developing, interpreting, and implementing both existing and new policy related to the provision of billions of dollars in grants and loans. DFA is constantly receiving new funding allocations. As a result, DFA policy is revised and updated on a regular basis, through the adoption of new or amended funding guidelines, through the annual adoption of the Clean Water and Drinking Water State Revolving Fund Intended Use Plans, and through annual adoption of the Safe and Affordable Drinking Water Fund Expenditure Plan which a key aspect of SAFER implementation.